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PIPER ANNOUNCES MAJOR RETRENCHMENT PENDING MARKET UPTURN

Piper Aircraft Corp., which has been building a complete product line of 11 different aircraft ranging from single-engine to twin-turboprop models, announced plans last week to sharply scale back production to reduce inventories. Unless market conditions improve, Piper may be manufacturing only its popular single-engine Malibu by late this year.

In an announcement Thursday, Piper President Frank Manning said "demand for new airplanes is not expected to intensify for several years at the least. Until it does, Piper must continue to adapt to economic realities. There is no other choice." Manning noted that Piper currently has a backlog of orders for most of its models (BA, Nov. 17/153), but added that "we've got to face the future and what the market will look like once those orders are completed. What we'll be doing betwen now and the end of the fiscal year (June 30) is to establish sufficient factory and field inventories. That will be followed by a production system suspension of certain products."

Piper took similar action last February, suspending production of all aircraft except the Malibu and two Cheyenne turboprop models (Feb. 10/42) for four months to reduce inventories. "That strategy worked well for us," Manning said last week. "Later this year we will suspend production of PA-28 (all four-place models), PA-32 (the Saratogas), PA-34 (the Seneca) and PA-42 (the company's top-of-the-line Cheyenne IIIA and Cheyenne 400 LS) models," he said. The Malibu, aircraft kits and spare parts will not be affected by the cutback and will continue to be produced, the company said.

"We're going to take the proper steps to insure the continued viability of Piper Aircraft Corp. as it enters its 50th year," Manning said. A spokesman said production of some of the affected models is likely to continue for several months past June 30 because of order backlogs. Piper said the jobs of 75 employes were terminated Friday, which will reduce total employment to about 1,125. Further reductions of as many as several hundred employes are anticipated over the next few months.

NTSB REPORTS CONTINUED IMPROVEMENT IN GA SAFETY RECORD

National Transportation Safety Board said 1986 was the safest year on record for general aviation, despite two midair collisions involving general aviation aircraft that claimed over 100 lives. The preliminary 1986 figures include 2,568 general aviation accidents. There were 466 fatal accidents that resulted in 958 fatalities. Those 958 fatalities, one more than in 1985, include all 82 persons killed in the Aug. 31 collision between a light aircraft and an Aeromexico DC-9 over Cerritos, Calif. and the 25 persons killed when a helicopter and a Twin Otter on Part 91 sightseeing flights collided over the Grand Canyon in June. The board said "the 1.53 fatal accident rate per 100,000 aircraft hours, the 2,568 accidents and the 466 fatal accidents are all record lows. The overall accident rate of 8.46 (per 100,000 aircraft hours), down six percent from 1985, is also a record."

On-demand air taxi operators also improved their safety record last year, reversing an upswing in numbers of accidents, fatalities and accident rates in 1985. Number of accidents fell from 152 in 1985 to 118 last year. Number of fatal accidents declined from 35 to 31 and number of fatalities fell more than 15 percent to 64. Air taxi operators had a total accident rate of 4.27 per 100,000 aircraft hours last year and a fatal accident rate of 1.12. (A breakdown of accident figures covering the past 11 years for general aviation and on-demand air taxis is shown in charts on the backs of Pages 18-19).

NOW ONLINE WORLDWIDE

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ACCIDENTS, FATALITIES, AND RATES
U.S. GENERAL AVIATION *
1976 - 1986

	Accidents		Fatalities			Accident Rates@ Per 100,000 Aircraft Hours	
Year	Total	Fatal	Total	Aboard	Aircraft Hours Flown#	Total	Fatal
1976	4018	658	1216	1203	30,476,000	13.17	2.16
1977	4079	661	1276	1265	31,578,000	12.91	2.09
1978	4216	719	1556	1398	34,887,000	12.08	2.06
1979	3818	631	1221	1203	38,641,000	9.88	1.63
1980	3590	618	1219	1230	36,402,000	9.86	1.69
1981	3500	654	1282	1261	36,803,000	9.51	1.78
1982	3233	591	1187	1171	32,095,000	10.06	1.84
1983	3075	555	1064	1057	31,048,000	9.90	1.79
1984	3010	543	1039	1018	31,510,000	9.54	1.72
1985P	2745	500	957		30,589,905	8.97	1.63
1986P	2568	466	958		30,361,000	8.46	1.53

P Preliminary data.

Source of estimate: FAA.

* All operations other than those conducted under 14 CFR 121 or 14 CFR 135.

@ Suicide and sabotage accidents excluded from rates as follows:
Total - 1976 (4), 1977 (1), 1978 (2), 1980 (1), 1982 (3), 1983 (1), 1984 (3)
Fatal - 1976 (1), 1977 (1), 1978 (2), 1980 (1), 1984 (2)

GA SHIPMENTS DOWN IN 1986 TO LESS THAN 1,500 UNITS -- Billings for new U.S.-built general aviation aircraft were down 11.8 percent to $1.26 billion in 1986, according to the General Aviation Manufacturers Association. GAMA President Ed Stimpson said the year end results were "better than many had originally anticipated in today's marketplace and product liability environment." GAMA members delivered 1,495 units (see chart on back of Page 23). Exports were up 24 percent to 439 aircraft valued at $330.4 million, a 43.7 percent increase over the $229.9 million worth of exports in 1985. Industry delivered 122 business jets, 250 turboprops, 138 piston twins and 985 single engine aircraft.

Stimpson said despite the fact that "companies acquire aircraft for transportation and not tax purposes," the investment tax credit transition rule enacted in late 1986 was successful in that it "spurred sales and cleaned out inventories." He said product liability "remains the largest single cost element in light aircraft today." James Churchill, president of Collins Avionics Group of Rockwell International and GAMA chairman, said the unit shipment number "misrepresents the financial health of the industry by understating major product areas in turbine aircraft and by missing entirely our aftermarket, parts, spares, component and military lines of business." Churchill also predicted there would be an increasing demand for new aircraft in the future, because of the "significant aging" of the general aviation fleet.

AAR OKLAHOMA ACQUIRES INTERESTS OF CATLIN AVIATION -- AAR Oklahoma, a subsidiary of AAR Corp., has purchased all leasehold interest and improvements in a 63,000-square-foot hangar from Catlin Aviation, based at Will Rogers World Airport in Oklahoma City. Facility, which will undergo refurbishment while offering selected service capabilities, will be fully operational Feb. 15 and will be used for modifications, interior refurbishments and maintenance of regional airline fleets and selected business aircraft. Customers under contract include British Aerospace, Short Brothers and several regional carriers. Ira Eichner, chairman of the board and chief executive officer said "the new facilities will permit us to increase the range of aircraft for which we perform our various services." AAR Oklahoma provides service and support to business aviation and selected airline service to major, national and regional airlines.

AIR FORCE PLANS RFP FOR STOL TRANSPORTS THIS SUMMER -- The Air Force plans to issue a request for proposals this summer and choose a contractor in the fall to supply 10 off-the-shelf STOL utility transports. The aircraft, to be designated the C-27, is a new program in the AF's fiscal 1988-89 budget. The service proposes $65.9 million to buy five aircraft in fiscal '88 and $65.1 million for five more in fiscal '89. AF officials said prospective user commands have identified requirements for eight more aircraft, not budgeted, and the C-27 contract will include options for additional production.

Officials said the AF sees the C-27 as a twin engine turboprop aircraft but is taking pains not to exclude candidates. The statement of need, drawn up during the past year by Military Airlift Command, is being validated. The AF plans to issue a request for information to industry this spring on what aircraft are available, in order to draw up its RFP in a way that promotes what one officer termed "the right amount of competition." Subject to refinement as the RFP is written, the Air Force wants an aircraft that can carry about 10,000 pounds of cargo distances of about 300 nautical miles operating into and out of unpaved runways or dirt strips less than 2,000 feet long. Avionics are to be off-the-shelf as much as possible. The AF wants a loading ramp and hasn't decided yet on an airdrop capability. The service will ask for deliveries as soon as possible and treat the delivery schedule as an evaluation factor. The de Havilland DHC-5D, the Aeritalia G-222 and the CASA/PT Nurtanio CN-235 are said to be candidates. The objective is a small airlift fleet that can move company-sized units and their equipment within a military theater.

LORAL CORP. AGREES TO ACQUIRE GOODYEAR AEROSPACE CORP. -- Loral Corp., a major manufacturer of electronic systems for the defense and aerospace markets, has signed a definitive agreement to acquire Goodyear Aerospace Corp. Loral plans to buy the subsidiary of Goodyear Tire & Rubber Company for $640 million in cash. Loral Chairman Bernard Schwartz said he believes the two companies are complementary in a number of areas, including reconnaissance and radar systems and anti-submarine warfare systems. Goodyear Aerospace Corp. is a major supplier of wheels, brakes, tires and de-icing systems for the aviation industry, in addition to its electronics operations.

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ACCIDENTS, FATALITIES, AND RATES
U.S. AIR CARRIERS OPERATING UNDER 14 CFR 135
NONSCHEDULED OPERATIONS
(ON-DEMAND AIR TAXIS)
1976 - 1986

	Accidents		Fatalities			Accident Rates Per 100,000 Aircraft Hours	
Year	Total	Fatal	Total	Aboard	Aircraft Hours Flown#	Total	Fatal
1976	137	31	100	97	2,703,203	5.07	1.15
1977	158	31	118	115	3,304,220	4.78	0.94
1978	198	54	155	152	3,545,753	5.58	1.52
1979	160	30	77	73	3,684,321	4.34	0.81
1980	171	46	105	101	3,617,724	4.73	1.27
1981	157	40	94	92	2,895,827	5.42	1.38
1982	132	31	72	72	3,256,763	4.05	0.95
1983	140	27	62	57	2,574,883	5.44	1.05
1984	146	23	52	52	3,079,007	4.74	0.75
1985P	152	35	76		2,782,696	5.46	1.26
1986P	118	31	64		2,763,000	4.27	1.12

P Preliminary data.

Source of estimate: FAA.

BUSINESS/PERSONAL AIRCRAFT INDUSTRY – DECEMBER UNIT SHIPMENTS

		Dec. 86	Cal. Year
AEROSPATIALE GENERAL AVIATION			
• Single-Engine			
TB-9	Tampico	2	5
TB-10	Tobago	7	48
TB-20	Trinidad	7	38
TB-21	Trinidad TC	5	14
R110		0	0
R180		0	0
R235		0	0
TOTAL		21	105
BEECH AIRCRAFT CORP.			
• Single-Engine			
BE-77	Skipper	0	0
BE-C23	Sundowner	0	1
BE-C24R	Sierra	0	5
BE-F33A	Bonanza	6	28
BE-F33C	Bonanza	0	24
BE-A36	Bonanza	6	57
BE-V35B	Bonanza	0	0
BE-B36TC	Bonanza	2	16
• Multi-Engine			
BE-B55	Baron	0	0
BE-E55	Baron	0	0
BE-58	Baron	12	36
BE-58TC	Baron	0	0
BE-58P	Baron	5	11
BE-76	Duchess	0	1
BE-B60	Duke	0	0
BE-C99	Airliner	11	12
BE-C90-1	King Air	6	17
BE-F90-1	King Air	1	5
BE-B100	King Air	0	0
BE-200	Super King Air	5	29
BE-200C	Super King Air	0	1
BE-300	Super King Air	5	27
BE-1900C	Commuter	2	17
Beechjet 400		3	11
Diamond IA		0	6
TOTAL		64	304
Manufacturers net billing – $66,061,471,01			
BRITISH AEROSPACE			
• Multi-Engine			
BAe	Jetstream 31	5	45
HS-748		0	1
BAe 146-100		3	16
BAe 146-200		0	4
HS-125-800	Model A	4	20
HS-125-800	Model B	2	5
TOTAL		14	91
PILATUS BRITTEN-NORMAN			
• Multi-Engine			
BN-2B	Islander	0	1
BN-2T	Islander	1	7
Mark III	Trislander	0	0
TOTAL		1	8
CANADAIR			
• Multi-Engine			
CL-600	Challenger	0	0
CL-601	Challenger	2	17
TOTAL		2	17
CESSNA AIRCRAFT CO.			
• Single-Engine			
CE-152		0	0
CE-A152	Aerobat	0	0
CE-172	Skyhawk	0	115
CE-172	Cutlass	0	0
CE-172RG	Cutlass	0	1
CE-182	Skylane	0	38
CE-182	Turbo Skylane	1	2
CE-182RG	Skylane RG	1	8
CE-182RG	Turbo Skylane RG	0	1
CE-185	Skywagon	0	0
CE-U206	Stationair 6	0	60
CE-TU206	Turbo Stationair 6	3	34
CE-207	Stationair 8	0	0
CE-TU207	Turbo Stationair 8	0	0
CE-208	Caravan I	18	54
CE-210	Centurion	1	12
CE-T210	Turbo Centurion	0	41
CE-P210	Pressurized Centurion	0	8
CE-188	AgHusky	0	0
CE-188	AgTruck	0	0
• Multi-Engine			
CE-303	Crusader	0	2
CE-335		0	0
CE-340		0	6
CE-402		4	5
CE-404	Titan	0	0
CE-406	Caravan II	0	2
CE-414	Chancellor	8	13
CE-421	Golden Eagle	2	9
CE-425	Conquest I	3	16
CE-441	Conquest II	6	9
CE-500	Citation I	0	0
CE-550S/II	Citation II	14	40
CE-650	Citation III	2	21
REIMS AVIATION			
• Single-Engine			
CE-F152		1	6
CE-F152	Aerobat	0	27
CE-F172	Skyhawk	1	14
CE-FR172	Hawk XP	0	0
CE-F182	Skylane	0	0
CE-F182RG	Skylane RG	0	0
TOTAL		65	546
Manufacturers net billing – $86,926,874			
AVIONS MARCEL DASSAULT			
• Multi-Engine			
AD-My.10	Falcon	2	3
AD-My.20	Falcon	0	1
AD-My.200	Falcon	0	4
AD-My.50	Falcon	1	14
AD-My.900	Falcon	0	3
TOTAL		3	25
DeHAVILLAND AIRCRAFT OF CANADA			
• Multi-Engine			
DHC-5		2	5
DHC-6	Twin Otter	0	4
DHC-7		0	1
DHC-8		9	36
TOTAL		11	46
EMBRAER			
• Single-Engine			
EMB-210	Ipanema	3	19
EMB-710	Carioca	0	0
EMB-711	Corisco	0	4
EMB-712	Tupi	0	8
EMB-720	Minuano	2	19
EMB-721	Sertanejo	0	0
• Multi-Engine			
EMB-110	Bandeirante	0	6
EMB-120	Brasilia	4	15
EMB-121	Xingu	0	3
EMB-810D	Seneca II	7	31
EMB-820		0	2
EMB-821		0	3
TOTAL		16	110
FAIRCHILD AIRCRAFT CORP.			
• Multi-Engine			
Merlin III-C		0	1
Fairchild 300		0	0
Merlin IV-C		0	0
Metro III		11	36
TOTAL		11	37
GATES LEARJET			
• Multi-Engine			
LR-25D		0	0
LR-25G		0	0
LR-35A		1	11
LR-36A		0	2

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		Dec. 86	Cal. Year
LR-55		2	7
TOTAL		3	20
GULFSTREAM AEROSPACE			
• Multi-Engine			
GR-1159A	Gulfstream III	1	14
GR-1159C	Gulfstream IV	5	8
AE-840	Turbo Commander	0	0
AE-900	Commander 900	0	0
AE-980		0	0
AE-1000		0	2
TOTAL		6	24
ISRAEL AIRCRAFT INDUSTRIES			
• Multi-Engine			
1124	Westwind 1	2	2
1124A	Westwind 2	2	7
	Astra	1	7
TOTAL		5	16
LAKE AIRCRAFT			
• Single-Engine			
LA-4-200EP		0	4
LA-250	Renegade	3	22
TOTAL		3	26
Manufacturers net billing — $691,302			
MAULE AIR INC.			
• Single-Engine			
M-5-180C		1	7
M-5-200		0	0
M-5-235C	Lunar Rocket	1	5
M-6-235		3	5
MX-7-180	Super Rocket	4	12
M-7-235	Super Rocket	2	11
MX-7-235		4	25
TOTAL		15	65
Manufacturers net billing — $740,844			
MOONEY AIRCRAFT CORP.			
• Single-Engine			
M-20J	201 Lean Machine	4	33
M-20J	205	3	19
M-20K	252	9	89
M-20K	231	0	1
TOTAL		16	142
PARTENAVIA S.P.A.			
• Multi-Engine			
P68C		*	9
P68C-TC		*	3
P68	Observer	*	4
P68	Observer TC	*	2
Spartacus		*	1
TOTAL		*	19
PIPER AIRCRAFT CORP.			
• Single-Engine			
PA-38-112	Tomahawk	*	0
PA-28-161	Warrior	*	71
PA-28-181	Archer II	*	50
PA-28-236	Dakota	*	9
PA-28RT-201	Arrow IV	*	6
PA-28RT-201T	Turbo Arrow IV	*	1
PA-32-301	Saratoga	*	12
PA-32R-301	Saratoga SP	*	4
PA-32R-301T	Turbo Saratoga SP	*	5
PA-46-310P	Malibu	*	95
• Multi-Engine			
PA-31-350	Chieftain	*	1
PA-31P-350	Mojave	*	0
PA-31-500	Cheyenne I	*	0
PA-31-600	Cheyenne IA	*	4
PA-42-720	Cheyenne III	*	1
PA-42-720	Cheyenne IIIA	*	9
PA-42-1000	Cheyenne 400LS	*	6
PA-34-220T	Seneca III	*	49
PA-44-180	Seminole	*	2
PA-44-180T	Turbo Seminole	*	0
PA-T1020		*	0
PA-T1040		*	1
TOTAL		*	326
SHORT BROTHERS LTD.			
• Multi-Engine			
SBJ-CS-7	Skyvan	0	1
SD-3-30		0	1
SD-3-60		4	24
TOTAL		4	26
	SINGLE-ENGINE	100	1,193
	MULTI-ENGINE	160	760
	GRAND TOTAL	260	1,953

UNIT SHIPMENTS COMPARATIVE TREND: 19 MANUFACTURERS

	December			Calendar Year to Date		
	1986	1985	1984	1986	1985	1984
Aerospatiale	21	32	*	105	80	*
Beech	64	34	35	304	288	401
British Aerospace	14	15	6	91	85	60
Britten-Norman	1	6	3	8	17	13
Canadair	2	3	3	17	9	21
Cessna	65	77	98	546	859	978
Dassault	3	5	2	25	23	25
De Havilland	11	7	2	46	41	33
Embraer	16	17	12	110	141	109
Fairchild	11	10	7	37	35	29
Gates	3	10	10	20	33	33
Gulfstream	6	1	6	24	53	50
Israel	5	8	4	10	14	16
Lake	3	3	4	26	23	29
Maule Air	15	8	12	65	88	64
Mooney	16	10	15	142	89	151
Partenavia	*	*	*	19	*	*
Piper	*	40	56	326	498	578
Short	4	4	7	26	21	35
TOTAL	260	290	282	1,953	2,397	2,625

* Figures not available.

GENERAL AVIATION SHIPMENTS BY TYPE

	Units	Billings	% Change (Units)
Jets	122	$709 Million	-15.9%
Turboprops	250	$430 Million	-22.1%
Twins	138	$ 43 Million	-28.5%
Singles	985	$ 80 Million	-28.1%
	1495	$1.26 Billion	
	(-26.3%)	(-11.8%)	